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POLAND: Continuing Unrest

The first confirmed strike protesting price increases has taken place, and student activity against the regime has mounted. Western banks, meanwhile, are stepping up pressure on Poland.

Workers at a factory in Krakow on Tuesday conducted a one-and-a-half-hour work stoppage to protest price increases instituted the previous day.

Comment: Although it is unclear how the strike was ended, such short job actions could be part of a plan by Solidarity to rebuild worker self-confidence and reestablish the union's strength. Short strikes could temporarily frustrate efforts by the regime to maintain control.

Student Unrest Increasing

Young people in secondary schools also appear to be caught up in the ferment. High school students in several provinces have been distributing leaflets and attempting to organize demonstrations; earlier this week half the students at two Warsaw high schools attended class one day dressed in black.

Despite evidence of increasing opposition from young people, the government announced yesterday that most universities will reopen next Monday.

Comment: The authorities apparently believe they can better control students on the campuses rather than at home. The regime is gambling that tightened regulations and the threat of expulsion and possible induction into the military will keep students in line.

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The government still seems to be moving with caution, however, because several technical schools known for militant activity apparently will not yet reopen. Unrest among secondary students is particularly difficult for the regime to deal with because martial law regulations do not permit internment of anyone under 17. [REDACTED]

Pressure From Creditors

Western bankers are demanding more money from Warsaw before they will conclude the much-delayed private debt rescheduling agreement for 1981. They want Poland to cover \$200 million of overdue interest payments for 1981 by 15 February. In addition, they also insist that Poland pay \$400 million in interest due in the first two months of 1982 before the agreement for 1981 takes effect on 10 April. [REDACTED]

Comment: Although the banks may not declare default if Poland does not make the payments, the threat of default forces the Poles to attach high priority to interest payments to private banks in allocating their meager hard currency funds. [REDACTED]

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